

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

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In re: PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.*, (Jointly Administered)

Debtors.¹

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INFORMATIVE
**MOTION REGARDING DEBTORS' JOINT MOTION TO APPROVE
THE DISCLOSURE STATEMENT AND SOLICITATION PROCEDURES**

To the Honorable United States District Judge Laura Taylor Swain:

Pursuant to the Court's *Order Regarding Procedures for Disclosure Statement Hearing* [Case No. 17-3283, ECF No. 17210] (the "Procedures Order"), the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board"), as sole representative of the debtors in these Title III Cases pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* ("PROMESA"),² respectfully states as follows:

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17-BK-3283- LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² PROMESA has been codified at 48 U.S.C. §§ 2101–2241.

1. The parties will appear telephonically at the disclosure statement hearing on the *Amended Joint Motion of the Commonwealth of Puerto Rico, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, and the Puerto Rico Public Buildings Authority for an Order (I) Approving Disclosure Statement, (II) Fixing Voting Record Date, (III) Approving Confirmation Hearing Notice and Confirmation Schedule, (IV) Approving Solicitation Packages and Distribution Procedures, (V) Approving Forms of Ballots, and Voting and Election Procedures, (VI) Approving Notice of Non-Voting Status, (VII) Fixing Voting, Election, and Confirmation Deadlines, and (VIII) Approving Vote Tabulation Procedures* [**Case No. 17-3283, ECF No. 16756**] (the “Motion”) as well as any and all objections, responses, statements, joinders, and replies to the Motion.

2. Due to the large number of objecting parties, the Debtors created and sent to all objecting parties a proposal containing proposed time allocations for the hearing for each objecting party. To accommodate the large number of objections, contrary to the Debtors’ typical practice of allocating time equally between movants and objecting parties, the initial proposal provided only 142 minutes for the movants, and 188 minutes for the objecting parties.

3. The Debtors remain in discussions with the objecting parties regarding their time allocations for the Hearing. This Informative Motion reflects the Debtors’ currently proposed time allocations for each of the objecting parties as of 11:59 p.m. on July 7, 2021, following extensive discussions with the objecting parties. The time allocations set forth in this Informative Motion are subject to change as discussions among the parties continue, and the Debtors intend to file amended time allocations in the hearing agenda, pursuant to the Procedures Order.

4. The following individuals may appear to speak on behalf of the parties:

a. Oversight Board: Martin Bienenstock and/or Brian Rosen

- b. Assured Guaranty Corp. (“Assured”): Mark Ellenberg and/or William Natbony
- c. National Public Finance Guaranty Corporation (“National”): Kelly DiBlasi and/or Colin McGrath
- d. Ambac Assurance Corporation (“Ambac”): Dennis Dunne and/or Atara Miller
- e. Financial Guaranty Insurance Company (“FGIC”): Martin A. Sosland
- f. AmeriNational Community Services, LLC, as servicer for the GDB Debt Recovery Authority; and Cantor-Katz Collateral Monitor (collectively, the “DRA Parties”):
 - i. AmeriNational Community Services, LLC: Artuto J. García Solá or Nayuan Zouairabani
 - ii. Cantor-Katz Collateral Monitor: Douglas S. Mintz or Douglas I. Koff
- g. Official Committee of Unsecured Creditors: Luc Despins
- h. Group of active and former government employees (the “Group Wage Creditors”)*³
- i. Taconic Capital Advisors LP, Aurelius Capital Management, LP, Canyon Capital Advisors LLC, First Ballantyne LLC, and Moore Capital Management, LP (collectively, the “Ad Hoc Group of FGIC Noteholders”): Lawrence Larose
- j. The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”): John Rapisardi

³ The Oversight Board reached out to every objecting party in advance of filing this Informative Motion, and did not receive responses from certain parties. The Oversight Board will continue to coordinate with these parties in advance of the Hearing, and will file amended time allocations in the hearing agenda pursuant to the Procedures Order, as applicable. Parties from whom the Oversight Board did not receive sufficient information to complete this Informative Motion are marked with a “*”.

- k. Salud Integral de la Montaña, Inc. (“SIM”): John E. Mudd
- l. Atlantic Medical Center, Inc., et al. (the “AMC Group”): Brad Kahn
- m. Underwriter Defendants: Howard S. Steel
- n. Merrill Lynch, Pierce, Fenner & Smith Inc. (“Merrill Lynch”)*
- o. Group of Section 1983 Claimants: David Carrión Baralt
- p. U.S. Bank: Clark Whitmore and Ronald Silverman
- q. PFZ Properties, Inc. (“PFZ”): David Carrión Baralt
- r. Finca Matilde, Inc. (“Finca”): Isabel M Fullana and/or Eduardo Capdevila
- s. Suiza Dairy Corp. (“Suiza”): Rafael Gonzalez Valiente
- t. Vaqueria Tres Monjitas, Inc. (“VTM”): Wendy G. Marcari and/or Gerardo Carlo Altieri
- u. Asociación Puertorriqueña de la Judicatura (“APJ”)*
- v. Altair Global Credit Opportunities Fund (A), LLC, et al. (“Altair Global Credit”): Ben Rosenblum
- w. Official Committee of Retired Employees (the “Retiree Committee”): Bob Gordon
- x. Peter Hein (pro se)
- y. Antonio Martín Cervera (pro se)
- z. Nancy I. Negrón-López (pro se)
- aa. Yashei Rosario (pro se)
- bb. Maria Teresita Martin⁴

⁴ The following pro se parties have either indicated that they do not intend to participate in the Hearing or have not responded to inquiries regarding whether they intend to participate in the Hearing, therefore no time has been allocated to these parties: Maria Teresita Martin, Ana A. Núñez Velázquez, Wanda I. Ortiz Santiago, and Luis Roland Ruiz. In

cc. Ana A. Núñez Velázquez

dd. Wanda I. Ortiz Santiago

ee. Luis Roland Ruiz

5. Given the Court's allocation of approximately 5.5 hours (330 minutes) for the Hearing to be conducted on July 13, 2021, the Debtors have allocated 285 minutes for a hearing on the Motion. The parties have agreed to allocate such time as follows, listed in the order in which the parties shall present:

a. Objections to Disclosure Statement

i. Movants

1. Oversight Board: 5 minutes

ii. Objecting Parties

1. Ambac: 30 minutes

2. FGIC: 10 minutes

3. DRA Parties: 16 minutes⁵

4. Official Committee of Unsecured Creditors: 20 minutes

5. Group Wage Creditors: 2 minutes

6. Ad Hoc Group of FGIC Noteholders: 2 minutes

7. AAFAF: 6 minutes

the event these parties appear at the Hearing, the Oversight Board respectfully requests that an additional three minutes of time be allocated to each of them.

⁵ Based on communications among the objecting parties that were relayed to the Debtors, the Debtors understand that the DRA Parties previously agreed to a time allocation of 16 minutes for their objection to the Disclosure Statement. The DRA Parties now request no less than 20 minutes for their objection to the Disclosure Statement. The Oversight Board will continue to work with the DRA Parties in advance of the hearing to reach an agreement on the appropriate time allocation.

8. SIM: 3 minutes⁶
9. AMC Group: 3 minutes
10. Underwriter Defendants: 5 minutes
11. Group of Section 1983 Claimants: 3 minutes
12. U.S. Bank: 9 minutes
13. PFZ: 6 minutes
14. Finca: 6 minutes
15. Suiza: 4 minutes
16. VTM: 3 minutes
17. APJ: 2 minutes
18. Altair Global Credit: 2 minutes
19. Retiree Committee: 3 minutes
20. Peter Hein: 8 minutes
21. Antonio Martin Cervera: 2 minutes
22. Nancy I. Negrón-López: 2 minutes
23. Yashei Rosario: 2 minutes

iii. Supporting Parties

1. Assured: 14 minutes
2. National: to be determined in advance of the Hearing and set forth in the hearing agenda pursuant to the Procedures Order.

⁶ Based on communications among the objecting parties that were relayed to the Debtors, the Debtors understand that SIM was allocated 3 minutes for their objection to the Disclosure Statement. However, SIM requests no less than 5 minutes for their objection to the Disclosure Statement. The Oversight Board will continue to work with SIM in advance of the hearing to reach an agreement on the appropriate time allocation.

iv. Movants

1. Oversight Board: 93 minutes

b. Objections to Solicitation Procedures

i. Objecting Parties

1. Official Committee of Unsecured Creditors: 3 minutes
2. FGIC: 6 minutes
3. Peter Hein: 5 minutes

ii. Movants

1. Oversight Board: 10 minutes

Dated: July 8, 2021
San Juan, Puerto Rico

Respectfully submitted,

/s/ Martin J. Bienenstock

Martin J. Bienenstock

Brian S. Rosen

(Admission *pro hac vice*)

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